

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 507 - HB 1119

February 25, 2023

SUMMARY OF BILL: Authorizes a winery or farm wine producer to electronically store all documentation and paperwork required to be maintained by the Alcoholic Beverage Commission (ABC). Requires ABC to accept an electronic submission of documents and paperwork for the purposes of an inspection of a licensee or for verification of compliance with the law. Authorizes wineries and farm wine producers that hold two or more alcohol licenses or permits that require yearly renewal to choose an expiration date for their licenses or permits that is less than 12 months from the date the license or permit is issued or renewed. Requires the license fee for the license or permit issued for less than twelve months be prorated according to the duration of the license. Effective July 1, 2024.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$78,700/Strategic Technology Solutions

Increase State Expenditures – \$122,700/ABC Fund

Assumptions:

- ABC's Regulatory Licensing and Permitting system will need to be updated to incorporate the proposed changes involving shifting expiration and renewal dates, and establishing prorated fees for licensees who change their expiration date. The estimated increase in state expenditures for updates to ABC's systems is a one-time fee of \$44,000 paid to the vendor Gray Quarter.
- Additional changes will be contracted through Strategic Technology Solutions (STS), at an estimated cost of \$78,714.
- The estimated increase in state revenue for STS would be \$78,714.
- The total estimated increase in state expenditures from the ABC Fund will be \$122,714 (\$44,000 + \$78,714).
- ABC currently allows licensees to provide documentation and paperwork electronically; therefore, there is no impact from this proposed change.
- Any impact on license revenue is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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